



Australian Bureau of Statistics

1350.0 - Australian Economic Indicators, 1992

ARCHIVED ISSUE Released at 11:30 AM (CANBERRA TIME) 22/01/1993

1992 Feature Article - Tourism: A Statistical Overview

This article was published in Australian Economic Indicators December 1992 issue on 1 December 1992.

TOURISM: A STATISTICAL OVERVIEW

INTRODUCTION

Growth in tourism activity particularly in international tourism, has given rise to an industry that is increasingly significant to the Australian economy. Consequently, the ABS has experienced demands for more data (and more relevant data) to guide major investment and policy decisions.

A substantial amount of statistical information on tourism is produced by the ABS and other agencies. Other agencies collecting and disseminating tourism statistics include the Bureau of Tourism Research (BTR), tourism commissions, State government departments, academic institutions and private sector consultants. However, the various collections have little commonality of definitions or concepts. Thus, the data available from different collections are often difficult to link or compare, reducing their potential value.

The ABS is addressing this issue in two ways. Firstly, it has recently published a Directory of Tourism Statistics (cat. no. 1130.0), which provides an overview of tourism statistics currently available, in particular those available from public sector sources. For each set of data it provides a summary article, detailed descriptions of items and contact names. Secondly, the ABS has developed a Framework for the Collection and Publication of Tourism Statistics to guide the design and conduct of tourism surveys. The framework provides standardised definitions and a structure for collecting and presenting data.

The ABS hopes that the framework will be widely used by government agencies and by the private sector when designing statistical collections and compiling and disseminating data on tourism. It is not intended to apply only to ABS collections. Its main value lies in providing consistent standards which can be used by **all** collectors and users of tourism statistics. The framework is outlined below.

A FRAMEWORK FOR TOURISM STATISTICS

The framework is based on the approach that tourism statistics should cover all visitors (both domestic and international), not just recreational tourists. The statistics covered by the framework are those which in some way measure the activities of these visitors. The focal point is the transaction in which a visitor obtains a product or service from a supplier.

Each transaction has three elements:

Consumer - Product - Supplier

Tourism statistics can measure a relationship between two of these elements: for example, the value of purchases of food (the product) by day visitors (the consumer). Or they can measure some aspect of one of the elements: for example, the number of employees in the accommodation sector (the supplier).

The order of the elements and the arrows between them indicate a hierarchical relationship. The principal element of the transaction is the consumer. If that consumer meets the definition of a visitor, then the product and consequently the supplier involved in the transaction are within the scope of tourism activity. For example, a restaurant meal can be supplied to a resident or a visitor. In principle, if the consumer is not a visitor then it would not be Included. In practice, it is often difficult to make such a distinction.

The framework provides a classification scheme for each of the three elements.

The **consumer** is classified as:

- an international visitor - either an overnight visitor a day visitor; or
- a domestic visitor - either an overnight visitor or a day visitor.

The **product** is classified into ten broad product/service groups:

- accommodation;
- food and drink;
- transport;
- entertainment/leisure;
- sporting activities;
- business services;
- education/training;
- health;
- other goods and services; and
- package tours.

These broad groups are broken down into more detailed categories.

The **supplier** is classified according to the Australian Standard Industrial Classification (ASIC).

Associated with each of the three elements is a list of typical measures (for example age and sex of consumers, expenditure for products and value of sales for suppliers). The framework provides classification schemes and definitions for each of the typical measures.

TOURISM ACTIVITY: RECENT TRENDS

Tourism activity, particularly international tourism, has experienced significant growth. While the ABS hopes the framework will be applied to future collections of tourism statistics, data currently available have been collected without the benefit of a consistent framework. However, three sets of ABS data that provide useful indicators of tourism activity are:

- overseas arrivals and departures;
- balance of payments; and
- tourist accommodation.

The first two data sets relate to international tourism activity, whereas the third reflects domestic as well as international tourism.

Overseas Arrivals and Departures

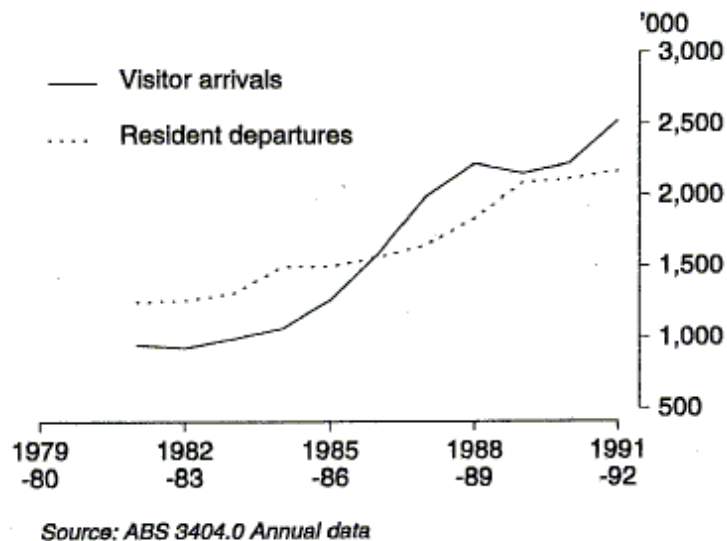
Statistics of overseas arrivals and departures measure the number and characteristics of Australian and overseas visitors arriving in and departing from Australia. The data items include:

- country of last residence or stay;
- country of birth;
- purpose of journey;
- duration of stay;
- State of longest period of stay;
- age and sex; and
- country of embarkation and port of clearance.

Other items are available on request.

As shown in Graph 1, in 1981-82 resident departures exceeded visitor arrivals by 296,500. By 1986-87, short term overseas visitor arrivals exceeded resident departures. Visitor arrivals have remained above resident departures with the gap narrowing in 1989-90, then widening again.

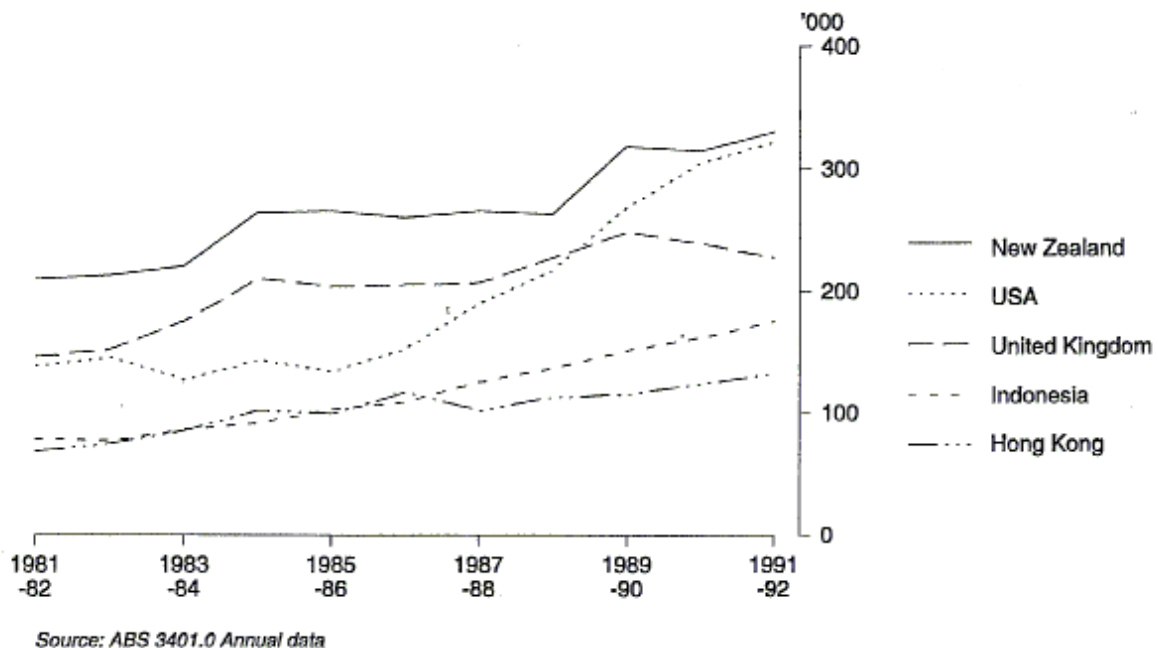
GRAPH 1. SHORT-TERM VISITOR ARRIVALS AND RESIDENT DEPARTURES



In 1991-92, the number of short-term departures of Australian residents was 2,173,500. This was 74.1 per cent higher than in 1981-82, representing an average annual growth of 5.7 per cent. Monthly estimates, available to September 1992, indicate that short-term departures of Australian residents are continuing to grow moderately.

The most popular destinations for Australians in 1991-92 were New Zealand (15.2 per cent of the total), followed by the United States of America (14.8 per cent), then the United Kingdom (10.5 per cent), Indonesia (8.1 per cent) and Hong Kong (6.1 per cent). In 1981-82, New Zealand accounted for 16.8 per cent of the total, the United Kingdom 11.8 per cent, the United States of America 11.2 per cent, Indonesia 6.3 per cent and Hong Kong 5.5 per cent.

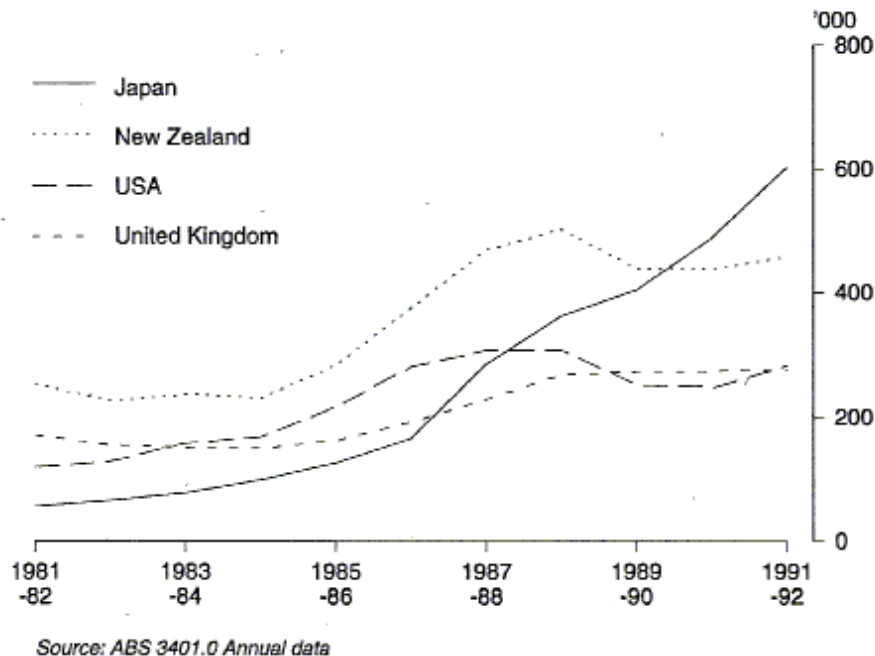
GRAPH 2. SHORT-TERM RESIDENT DEPARTURES, MAJOR DESTINATIONS



In 1991-92, the number of short-term arrivals of visitors was 2,519,700. This was 164.8 per cent higher than in 1981-82, representing an average annual growth of 10.2 per cent. However, monthly estimates, available to September 1992, indicate that the growth in short-term arrivals has slowed considerably.

In 1991-92, the major source countries were Japan (23.9 per cent of total), New Zealand (18.2 per cent), the United States of America (11.2 per cent) and the United Kingdom (11.0 per cent). In 1981-82, New Zealand accounted for 26.6 per cent of the total, the United Kingdom 17.9 per cent, the United States of America 12.6 per cent and Japan 6.0 per cent.

GRAPH 3. SHORT-TERM VISITOR ARRIVALS, MAJOR SOURCE COUNTRIES



Balance of Payments

The balance of payments provides a systematic record of Australia's external economic transactions. It is a statistical statement of economic transactions between residents of Australia and residents of the rest of the world. Commentators often refer to "Australian tourist expenditure abroad" and to "foreign tourist expenditure in Australia". The reference is usually to the travel component of net services. Net services, an item in the current account, is the difference between service credits and service debits. Travel credits measure the acquisition of goods and services in Australia by non-resident travellers. Non-resident travellers include: foreign students studying in Australia; persons visiting Australia for business, recreation or health reasons for less than one year; and foreign military personnel on rest and recreational leave in Australia. Expenditure of foreign government officials (e.g. diplomats) and their dependants stationed in Australia is excluded, as is expenditure from income earned by non residents working in Australia for less than one year. Travel debits measure the acquisition of goods and services abroad by Australian travellers. Australian resident travellers include Australian students travelling abroad and Australians going abroad for business, health or recreation reasons for less than one year.

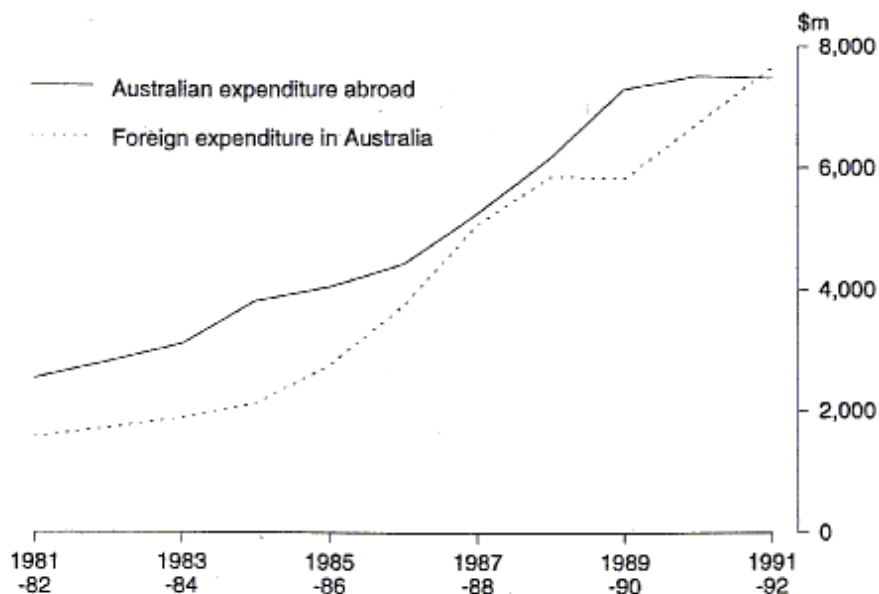
The balance of payments concept of travel does not provide a measure of total tourist expenditure. For example, travel debits do not include the cost of international fares for travel from Australia to foreign destinations. Similarly, travel credits exclude the cost of international fares for travel to Australia from abroad.

To derive a better measure of Australian tourist expenditure abroad, the cost of fares paid in Australia to non resident airlines and non-resident shipping operators has to be added to travel debits estimates. These fares are recorded in the balance of payments statistics in the item Passenger service debits, a component of Other transportation debits. Conversely, to measure foreign tourist expenditure in Australia, the amount of fares received abroad by resident airlines

operating on international routes (i.e. passenger services credits), has to be added to the estimates of travel credits.

Australian expenditure abroad on fares and travel totalled \$7,477 million in 1991-92, compared with \$7,659 million for foreign expenditure on fares and travel in Australia in the same year. In 1981-82, the corresponding amounts were \$2,557 million and \$1,588 million respectively. This represents an average annual growth of 11.3 per cent for Australian expenditure and 17.0 per cent for foreign expenditure.

GRAPH 4. INTERNATIONAL FARES AND TRAVEL EXPENDITURE



Source: ABS 5302.0 Annual data

The gap between the two aggregates (which had been in the rest of the world's favour since the start of the series in the mid-1940s), peaked at \$1,689 million in 1984-85, then fell markedly in subsequent years, narrowing to \$183 million in 1987-88. It then rose to \$795 million in 1990-91 before falling again. In 1991-92, the gap between the two aggregates was in Australia's favour for the first time, with Australia's earnings from foreign travellers in Australia being \$182 million more than foreign earnings from Australian travellers.

The measures described above do not take account of a number of factors that impinge on the net value of international tourism to Australia; for example, no adjustments are made for the expenses incurred in Australia by foreign airlines flying Australian residents abroad (part of port services credits) nor for the reverse (i.e. resident airlines costs incurred abroad in bringing foreign travellers to Australia). As a consequence, the difference between Australia's earnings from fares and travel overseas and foreign earnings from fares and travel in Australia only partly reflects the cost/contribution to Australia of international tourism.

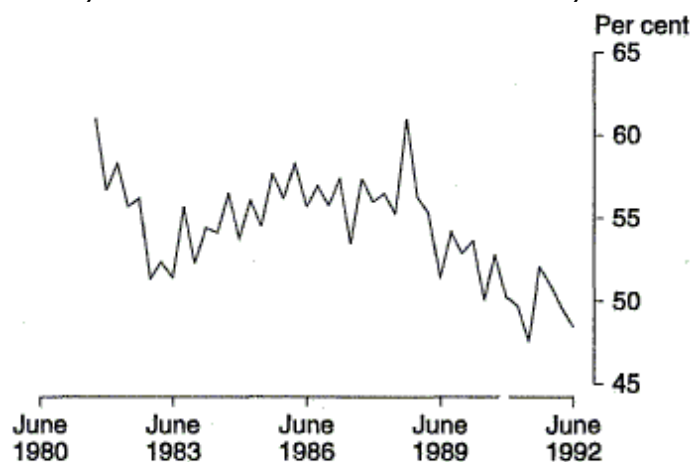
Tourist Accommodation

The Survey of Tourist Accommodation (STA) measures the capacity and utilisation of short-term accommodation in Australia. Data are collected for four types of establishments: hotels, motels and guest houses with facilities; caravan parks; holiday flats, units and houses; and visitor hostels.

In Australia, the number of hotel and motel room nights available has risen significantly in recent years. In 1991-92, the number of room nights available was 59.14 million, compared with 32.60 million in 1981-82, an average annual increase of 6.1 per cent.

Room nights sold have also risen significantly in the same period, but at a slower rate, from 19.06 million to 29.75 million (an average annual increase of 4.6 per cent). Despite this increase, the faster growth in supply has caused occupancy rates to fall. The level of 47.6 per cent recorded in the June quarter 1991 was the lowest recorded since the series commenced in 1975.

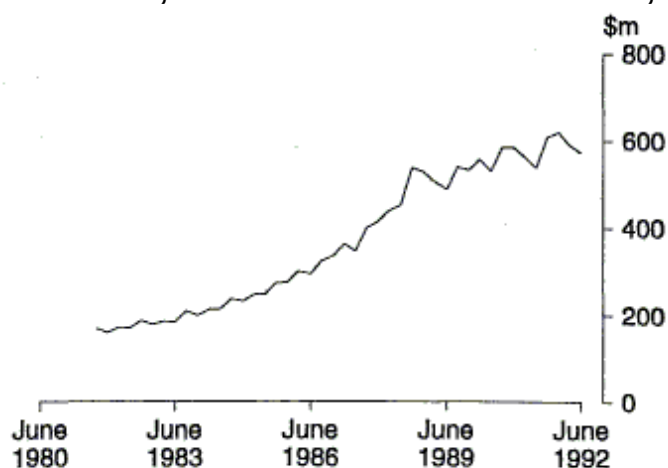
GRAPH 5. HOTELS, MOTELS AND GUEST HOUSES, OCCUPANCY RATES



Source: ABS 8635.0 Quarterly data

Takings from accommodation increased at a faster rate, reflecting the combined effects of increased demand for higher quality accommodation, higher tariffs (including the effects of inflation) and an increase in the average number of guests per room. Over the ten year period takings increased, at an average annual rate of 13.6 per cent, to a total of \$2,392 million in 1991-92. Average takings per room night increased from \$35.09 to \$80.40, an average annual increase of 8.6 per cent. Over the same period the Consumer Price Index (all groups) increased at an average annual rate of 4.0 per cent.

GRAPH 6. HOTELS, MOTELS AND GUEST HOUSES, TAKINGS



Source: ABS 8635.0 Quarterly data

In short-term caravan parks, supply and demand were relatively stable in the ten year period. The number of available sites actually declined from 72.34 million in 1981-82 to 69.61 million in 1991-92, an overall drop of 3.8 per cent. Site nights occupied were the same for both years at 18.7 million.

While demand was stable, takings from accommodation increased, as a result of price increases (including the effects of inflation), at an average annual rate of 7.2 per cent, to \$217 million in

1991-92.

Holiday flats, units and houses were added to the Survey from the September quarter 1987. In 1987-88 there were 10.75 million unit nights available. This increased, by 13.4 percent, to 12.19 million in 1991-92, an average annual increase of 3.2 per cent. The demand for units increased at the same rate, thus maintaining average occupancy rates.

Over the four years, takings rose at an average annual rate of 9.3 per cent, to \$358 million in 1991-92.

Visitor hostels were introduced to the Survey in the September quarter 1991. These are establishments which provide accommodation on a bed basis (typically back-packer establishments) and are an increasingly important sector of the short-term accommodation market. In the June quarter 1992 there were 397 of these establishments with 24,493 bed spaces. A total of 941,070 bed spaces were sold for the quarter. Takings from accommodation were \$43 million for the year 1991-92.

FURTHER INFORMATION

For further information contact The Director, Transport and Tourism Business Tourism Statistics on telephone (07) 3222 6310.

This page last updated 18 December 2009

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